

BULLETIN 19AUG02

TO: Our Valued Partners

Date: August 2, 2019

SUBJECT: FHA Cash-Out Refinance - Effective 9/1/2019

**** IMPORTANT NOTICE ****

Subject

FHA Cash-out Refinance, Mortgage Letter 2019-11 - Maximum Loan-To-Value and Combined Loan-To-Value Percentages.

Effective Date

The guidance in this Mortgage Letter is effective for case numbers assigned on or after September 1, 2019.

Summary of Changes

The Maximum Mortgage Amount section of Handbook 4000.1 is amended to reduce the current Maximum LTV and CLTV percentages from 85 to **80** percent of the Adjusted Value on cash-out refinance mortgages.

HUD Single Family Housing Policy Handbook 4000.1

Maximum Mortgage Amounts - Standard II.A.8.d.v(B)(1)

(a) Maximum Loan-to-Value

The maximum LTV is 80 percent of the Adjusted Value.

(b) Maximum Combined Loan-to-Value

The maximum CLTV is 80 percent of the Adjusted Value.

(c) Nationwide Mortgage Limit

The combined mortgage amount of the first Mortgage and any subordinate liens cannot exceed the Nationwide Mortgage Limit described in National Housing Act's Statutory Limits.

Thank you,

Operations Group

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NMLS ID# 3028